

EXHIBIT 33



Puerto Rico energy authority investigates dozens of post-Maria bribery cases

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SAN JUAN, Puerto Rico — The Puerto Rico Electric Power Authority has suspended three employees without pay as it investigates 25 cases of possible bribery that occurred in the wake of Hurricane Maria.

A spokesperson for the power authority — known as PREPA or AEE — told NewsHour that all of the cases involve field employees responsible for restoring power. The employees under investigation are accused of requesting money in exchange for energizing houses or businesses. More than 500,000 of the island's 1.5 million energy subscribers lack power nearly four months after Maria hit, and PREPA is the territory's sole electricity provider.

El Vocero, a San Juan-based newspaper, wrote that the employees under investigation for bribery **had requested as much as \$5,000** to reconnect power. PREPA declined to provide specific details about the cases, given the ongoing nature of the probes, but the authority is encouraging witnesses to come forward when incidents occur. Anyone found complicit in bribery will face criminal charges, a PREPA spokesperson said.

PREPA received the first three complaints around mid-November, less than two months after Hurricane Maria. The employees involved in those complaints who are now suspended, work in Ponce, a major hub in south Puerto Rico. Since then, more bribery complaints have appeared across the island.

The disclosure of this probe comes less than a week after **officials discovered an overlooked PREPA warehouse** that contained materials needed for the recovery. But the spokesperson said the bribery cases had no connection to the warehouse.

PREPA told NewsHour in a statement that local and stateside workers have been using materials from the warehouse since Hurricane Maria passed. But officials for the U.S Army Corps of Engineers said the warehouse was missing from PREPA's computer inventories. A PREPA spokesperson said the warehouse contained materials acquired for capital improvement projects, outdated surplus supplies from previous projects and recycled parts.

José Román Morales, president of Puerto Rico Energy Commission, argues such mismanagement by PREPA made the island's energy infrastructure prone to the devastation wrought by Hurricane Maria. PREPA's financial woes — including \$8.9 billion of debt — stifled simple maintenance operations, like tree trimming near power lines, and prevented system upgrades.

“[PREPA] ran out of money so they were on a reactive maintenance type of schedule,” Morales said. So even if PREPA wanted to repair an aging piece of equipment, they couldn't address it until the equipment broke down, he said.



Cars drive under a partially collapsed utility pole, after the island was hit by Hurricane Maria in September, in Naguabo, Puerto Rico, on Oct. 20, 2017. Photo by Alvin Baez/Reuters

This backlog caught up with Puerto Rico and led to an extended blackout after Hurricane Maria, said Morales, whose commission is the sole oversight regulator of PREPA.

PREPA is no stranger to fielding accusations of corruption. In 2016, Puerto Rico's Senate held hearings about the energy authority's purchasing office, which **bought and burned dirty oil sludge for 25 years** while charging customers the higher prices associated with refined distillates. A class action lawsuit, filed by Puerto Ricans who said they were harmed by the burnt sludge's fumes, **estimated that customers overpaid more than \$1 billion** into the purchasing office's slush fund.

Then in November, PREPA's chief executive stepped down after Congress began reviewing a \$300 million contract awarded to **Whitefish Energy Holdings**, a small private company from Montana.

PREPA had agreed to pay Whitefish linemen \$319 per hour, when the average salary in Puerto Rico for such work is \$19 per hour.

Morales told NewsHour that PREPA did not share the Whitefish contract with his energy commission for evaluation prior to signing it. He said the energy commission has opened an investigation into PREPA's post-hurricane response, but he could not comment on what the commission has identified so far.

"What is definitely a fact is that we have a lot of people without power, and we need a lot of help," Morales said.

Monica Villamizar contributed to this report.

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